

ESSB 5352 - H AMD TO H AMD (H-3031.2/09) **455**

By Representative Seaquist

WITHDRAWN 4/10/2009

1 On page 28, after line 19, insert the following:

2 "(9) The Washington state ferries shall undertake a special cost-
3 cutting effort to include but not be limited to the following
4 measures: the immediate elimination of all on-site consultants; the
5 imposition of a \$ 5 million per biennium cap on consulting contracts;
6 the phased reduction of overall headquarters staff to a ceiling of not
7 more than ten percent of total Washington ferries full time equivalent
8 employees by June 30, 2010, and not more than six percent by June 30,
9 2011; and the implementation of all feasible cost saving measures
10 developed by on-going labor-management consultations. The savings
11 identified shall be reported to the legislature by October 1, 2009.
12 In addition, the department shall propose by January 1, 2010, a
13 program by which Washington state ferries may implement a "process
14 engineering" program modeled on current industry best practices to
15 continue to develop and implement cost reductions and service
16 improvements."

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18 On page 44, after line 10, insert the following:

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20 "(11) Working with the contractor, the department shall develop
21 options to reduce the construction and delivery cost of the previously
22 authorized 64-car ferry vessel now under construction. The results of
23 this effort, to include renegotiating the contract as practicable,
24 will be reported by letter to the legislature not later than September
25 1, 2009.

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27 (12) The department shall develop and implement immediately a
procurement strategy to reduce the construction and delivery costs of
the 64-car vessels authorized in this section and the 144-car vessels

1 authorized in the 16 year financial plan. This cost-reduction
2 strategy should consider options to employ a contracted "owners
3 representative" in the final design-bid, contracting, and
4 construction-delivery phases of the procurements. This cost reduction
5 strategy must also consider implementing minimum-manning crew designs
6 including an option for unmanned engine rooms consistent with United
7 States coast guard requirements. The results of this effort shall be
8 reported to the legislature by October 1, 2009. As companion cost-
9 saving measures, the department shall propose to the legislature by
10 November 1, 2009, a revised Washington ferries headquarters
11 organization and staffing plan that must include the following
12 features: a sole focus by Washington state ferries headquarters on the
13 management and maintenance of the existing ferry system; the
14 relocation of the ferry maintenance engineering staff to and
15 functional integration with the Eagle Harbor maintenance organization;
16 the establishment, within department headquarters, of a very small
17 staff charged with coordinating ferry system requirements and
18 procurements aligned with the current industry best practices for
19 design-build and commercial, off-the-shelf procurement; and the
20 establishment of a small ferry system procurement advisory group able
21 to provide the secretary with expert, independent advice."

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EFFECT: Directs the Ferries division of the Department of Transportation to make operating budget savings and report identified savings to the Legislature by October 1, 2009. Directs the Ferries division to propose a "process engineering" model based on industry best practices to continue to implement cost reductions and service improvements.

Directs the Ferries division to work with the contractor to develop options to reduce the construction and delivery cost of the 64-car vessel currently under construction. A report to the Legislature is required not later than September 1, 2009.

Directs the Ferries division to develop and immediately implement a procurement strategy which will reduce the construction and

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delivery costs of the 64-car and 144-car ferries. The division must report on this effort by October 1, 2009.

The division is also directed to propose companion cost-saving measures that reflect revised headquarters organization and staffing plans, requiring the proposal to address specific proposals regarding staffing of the division. This proposal must be delivered to the Legislature by November 1, 2009.

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